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Capital Royalty provides alternative forms of financing to healthcare companies and institutions. We structure each transaction to meet the unique needs of our business partners.

We offer the following types of financing structures:

Royalty Bonds

Intellectual property assets represent significant value to their owners and creators. As a result, many of our investments are structured as royalty bonds, which provide IP owners upfront capital while allowing them to maintain a continuing interest in their royalty streams once the bond is repaid. This structure allows the licensor to retain residual ownership of the royalty once the bond is repaid. Capital Royalty is typically able to structure the bonds as non-recourse to the royalty holder.

Structured Debt

Growing companies that have active revenue streams from commercialized products may be willing to accept a greater level of recourse in exchange for access to a larger amount of capital. Capital Royalty works with growth companies to provide structured debt financings with greater capital and more flexible terms than may be available from traditional lending organizations.

Royalty Purchases

In a royalty purchase structure, sellers receive upfront capital in exchange for an assignment of all or a portion of their future royalty payments. The transaction is typically structured as non-recourse to the royalty holder, secured by the future cash flows of the royalty

stream.

Revenue Interests

In a revenue interest structure, Capital Royalty synthetically creates a royalty interest where one does not exist. This structure entitles Capital Royalty to receive a stream of cash flows secured by both the future sales of the product and the underlying product's intellectual property.

Hybrid Transactions

Capital Royalty's hybrid monetization structure combines the elements of a royalty bond and a traditional royalty monetization. In this structure, in exchange for upfront capital, a royalty bond is issued and the company, institution, or individual also sells a portion of the residual cash flows of the royalty stream.

Recent Whitepapers

[The Evolution of Healthcare Royalty Monetization](#)

Since they first appeared in the early 1990s, royalty monetization transactions have grown in both size and complexity. This evolution reflects the willingness of investors to work collaboratively with royalty recipients to develop creative structures that address the nuances of a particular situation and/or the desired risk profiles of either party.

[Structured Debt Primer](#)

Several consistent features make Structured Debt a compelling option when compared to traditional sources of capital; these include: (1) access to long-term capital on flexible, customizable terms, (2) a competitive cost of capital with limited equity dilution, and (3) straightforward transaction execution processes. The purpose of this white paper is to introduce Structured Debt, provide an overview of the increasingly important role it plays in capital markets, identify companies and situations for which it is best suited, and discuss its key terms, variations, and advantages from the perspective of a growth-stage company.

[Royalty Bond Primer for Issuers](#)

Royalty bonds are a viable alternative source of capital for companies and institutions seeking to monetize royalty entitlements. Specifically, royalty bonds are a source of non-dilutive debt financing with a competitive cost of capital for issuers, provide a means of managing risk without eliminating exposure to a royalty stream, and have favorable tax and accounting treatment. To date, over \$2 billion of royalty bonds have been structured, issued, and traded by royalty investors including Capital Royalty.

[Delivering Greater Value to Patients](#)

Sidney Taurel, Capital Royalty's Senior Advisor and Chairman of our Strategic Advisory Committee, is a long-time proponent of creating Fully Integrated Pharmaceutical Networks (FIPNets) to increase collaboration within the biopharma industry, thereby leading to improved efficiency and greater productivity of new product development efforts. This speech was given by Mr. Taurel at the Boston Biotech CEO Conference on June 15, 2010 and highlights the shift away from the Fully Integrated Pharmaceutical Companies (FIPCO) which develop new products internally to an increased reliance on licensing and partnering activities (FIPNet). During his ten years as CEO of Eli Lilly and Company, Mr. Taurel led the biopharma industry in making this shift.

[IP Licensing Trends: The Increasingly Collaborative Biopharma Industry](#)

The biotechnology and pharmaceutical (collectively, biopharma) industry is experiencing escalating pressures that are transforming the industry as we know it – from one of large vertically integrated behemoths to a more collaborative network of organizations.

[Healthcare Reform: Review & Implications for Royalty Investing](#)

While much of the legislation is directed at healthcare providers, who represent more than 50% of U.S. healthcare expenditures, this paper reviews the healthcare reform bill's key provisions targeting the biotechnology and pharmaceutical ("biopharma") sector and the associated implications for royalty monetization investments.

[FDA Drug Approval Trends: Accounting for All Novel Technologies](#)

Many industry reports and press releases¹ pertaining to trends in FDA drug approvals may significantly underestimate the level of novel drug approvals in the U.S. by excluding certain approvals for novel biologics. This report examines two key factors often overlooked when analyzing drug approval trends.

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